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Accounting in the Era of Disruption:
Building Resilience with Artificial Intelligence

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Explore Organisation Ability in Managing User Innovation: An Open Innovation Discussions

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Abstract

In today's fast-paced business environment, organizations face a significant challenge in fostering innovation. To keep up with changing environments and societal needs, businesses are increasingly looking to engage with customers beyond their traditional operations. This involves leveraging online platforms to gather customer ideas and contributions, leading to valuable insights for successful innovation. However, businesses often struggle to connect and collaborate effectively with the right customers, necessitating the development of strategies to manage user-driven innovation. This paper explores how organizations can effectively manage co-creation initiatives for innovation, specifically focusing on consumer participation in digital platforms. By evaluating and optimizing co-creation activities, organizations can enhance their understanding of how to engage customers in the innovation process. The study identifies research gaps in the strategic management of consumer participation in co-creation and provides practical insights for organizations navigating this evolving landscape.

Keywords

innovation, co-creation, customer engagement, management

1. Introduction

Innovation in the organisations has become a challenge for modern economies and as part of condition for keep-up with changes in the environment, societies, social groups, and individuals (Hamidi et al. 2020). Businesses has shown their interest to work with customers beyond their conventional business operations. It started with establishing a sponsored online brainstorming sites (See-To and Ho 2014), social engagement platforms (Dessart et al. 2015) and digitalised communication platform (Ramaswamy and Ozcan 2016). These platforms are considered to 'centralised' the ideas, comments and contribution of users, thus creates valuable insights. This has favoured the businesses to have a successful innovation in which benefiting both parties (business and customer) (Mazurek-Łopacińska 2021). In addition, taking advantage by creating an online engagement platform and adapt the social media concept is one of organisational strategy to maintain their engagement with customers. This would allowed businesses to have more direct communication and acknowledge customer experiences. Businesses felt pressures with the innovation where is has seen as determine the business success. While it is benefiting the organisation for having an active engagement among consumers, businesses faced challenges when they wish to connected, co-create and collaborate with the right customers, thus identifying the right strategy to cope with the user innovation is essential.

"Creating innovation from the customer's perspective is a way to invest in customers and to increase their value for the company" - (Dobiegala- Korona 2010).

The participation of customer in open innovation activities derived from several forms. According to Mazurek-Łopacińska (2021), there are four primary forms which address open innovation as competitiveness, collaborative communities, complementors communities and gamification. Each of the forms serve different goals, challenges and problems and the purpose of using these forms as an act of open innovation. Thus, within these range of forms, ultimately, customer is the lead actor of the 'online communities' which many scholars addresses (for example Breidbach et al. 2012, Ketonen-Oksi Jari Jussila Hannu Kärkkäinen et al. 2016, Fernandes and Remelhe 2015).

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With online communities' platform, customers able to personalized their needs with the right channels and thus cocreate with the organisation. However, identifying 'the right consumer to co-create for the right purpose' is priority as the act of co-creation is to clearly identified the actor. This allows increasing the effectiveness of their influence on these customers (Mazurek-Łopacińska 2021). Previous studies suggest several strategies should adopt into the organisation before enable co-creating of value. According to Mazurek-Łopacińska (2021), organisation should specifying the customer types to enabling the co-creation of value and to encourage their contribution.

Following the needs for having an open innovation between the organisation and the customers, the firm-level capabilities in managing such forms is thus challenging. The information gathered through the engagement between customer and the organisation may sometimes overwhelm. This has impact the organisation ability to 'synthesizing' large amount of new knowledge and information to be exploit for innovation (Ulrich Lichtenthaler 2011). In addition, Mazurek-Łopacińska (2021) address the needs for adopting a strategic perspective in considering customer participation for knowledge management process.

The research addressing this problem due to increase of digital platform influence organization communication with consumers which obviously challenges conventional organisations to react to a co-creation experience ((Ramaswamy and Ozcan 2016). However, there are managerial consequences on the capability of the organization in connecting individual consumers through the operability of engagement platforms. In a co-creation concept, active engagement with actors has become priority due to the pressure of modern economy. Therefore, there are clearly important questions about the antecedents of managing co-creation in digital platform with customers (Kohtamäki and Rajala 2016).

With that understanding, the current study considers managerial insight and actionable steps of evaluating and optimising the co-creation initiatives for innovation(Ostrom et al. 2015). The contribution of this study is to develop a better understanding on how organization manage the co-creation for innovation with consumer participation in digital platform. The study attempted to identified research gaps for the study where the discussion of strategizing consumer participation in co-creation activities is limited and less reported. It is therefore useful to review some of the critical topics of debate within co-creation context.

The research objectives of identifying the organizational ability in managing online customer innovation directly relate to the co-creation and customer engagement literature. Co-creation refers to the collaborative process where customers actively participate in generating value through the development of new products, services, or ideas. Customer engagement, on the other hand, involves building strong and interactive relationships between customers and the organization, fostering the idea for innovation. By investigating the organizational ability to manage online customer innovation, this research contributes to the co-creation literature by exploring how companies effectively involve customers in the innovation process through digital channels. Additionally, it contributes to the customer engagement literature by understanding how successful management of online customer innovation can lead to enhanced engagement and ultimately foster stronger innovation. The study aims to shed light on the best practices and strategies that organizations can employ to leverage customer input and involvement in the online innovation process, ultimately benefiting both the company and its customers.

2. Literature Review

According to Zwass (2010), social media plays a significant role in empowering customers by enabling them to share ideas, actively collaborate, and become valuable assets for organizations. This research project encompasses a cross-disciplinary approach, incorporating the fields of service management, customer management, and social media. The rationale behind this integration stems from the understanding that customer desires and actions can have a profound impact on achieving strategic success (Chris, 2010). By investigating the assimilation of social media at the organizational level, this study addresses a critical research gap, as there is a clear need for more comprehensive examination of how organizations collaborate with social media platforms (Bharati et al., 2013).

"The more knowledge that the firm is able to acquire, the greater the possibility for the firm to spot opportunities in the market and for its technology".

McKelvie et al. (2015)

The existing of social technologies through various platforms has encouraged companies to strategically design and implement co-creation practices. Successful companies such as LEGO, Hallmark, IBM and many more are getting benefits from it. Many others will apply the same. Similarly, the phenomenon of co-creation has tremendously created a different synergy within organization. Utilizing the social technologies has provided more advantages rather than disadvantages despite the risk when go online. Social technologies is refer as enabler for

products and services using social interactions in digital realm in order to communicate, add, modify or consume content (Bughin et al. 2012).

The role of social media not only for 'social' activities, but also benefiting most organisation to reach potential customer with their experiences. Continuous engagement enable the organisation to open up more opportunities for organisation to reach potential customer through different social media platforms (Rathore, A., Ilavarasan, P. & Dwivedi 2016). The success of a business reputation is not solely depending on knowledge and expertise within the organization, but also depending on active customer's skilled, informed and mutual benefiting between them in social media (Saarijärvi, 2012). To fulfil such requirement, organisation need careful consideration. Studies also shown that the customer commitment is one of the criteria is needed to ensure long-term relationship can be build-up while managing innovation. Co-creation scholars explained that it is developed based continuous engagement, adapted with individual live experience and extend from the consumption of service experience. (Prahalad and Ramaswamy 2004, Ramaswamy and Gouillart 2010).

"Companies are discovering new ways to create and sustain emotional connections with the brand . . . thus engaging customers through innovation and design" (Institute 2008)

3. Methods

The methodology adopted for this research paper is based on a qualitative research approach, specifically utilizing document analysis and pilot study interviews to investigate the organizational ability in managing online customer innovation. The study initiates with a thorough literature review, which serves as the foundation for understanding cocreation, user innovation, open innovation, and organization involvement in managing innovation initiatives. This literature review aids in developing a theoretical framework to guide the data collection and analysis process.

The primary data collection method involves document analysis, where relevant documents such as company reports, internal memos, and organizational policies related to innovation and customer engagement are carefully examined. The document analysis provides valuable insights into the current practices and strategies employed by organizations in managing online customer innovation.

Furthermore, a pilot study is conducted through semi-structured interviews with several managers who play direct roles in user innovation within their respective organizations. The interviews aim to gain in-depth understanding of their experiences, challenges, and successes in managing online customer innovation. Through narrative analysis, themes and patterns emerging from the interview data are identified and interpreted, providing valuable insights into how organizations effectively involve customers in the innovation process.

By employing a qualitative research methodology, this study offers a rich and nuanced exploration of the organizational ability in managing online customer innovation. The document analysis and pilot study interviews provide comprehensive data and in-depth perspectives, allowing for a thorough understanding of the strategies and practices that organizations employ to harness customer input and participation in the innovation process.

4. Results and Discussion

The findings section presents the results of the qualitative research conducted to explore the organizational abilities in managing online customer engagement for open innovation. Through in-depth interviews and document analysis, this study delved into the perspectives of managers and examined organizational practices related to customer engagement and co-creation. The data analysis yielded valuable insights into the strategies and approaches employed by companies to effectively involve customers in the innovation process. This section highlights the key discussions and patterns that emerged from the narrative analysis, shedding light on the essential aspects of organizational ability and customer engagement for successful open innovation.

Table 1: Narrative Data - M1

Data (M1)	Descriptive Analysis
"Customer today is opinionated and informative as well as they	Customers are becoming more vocal and active in
want to get engaged with the organization. For companies,	engaging with organizations, and social media
through social media, they can get customers easily."	plays a significant role in facilitating this
	interaction.

Table 2: Narrative Data - M5

Data (M5)	Descriptive Analysis
"Innovation means to create. It is very important because it is	Innovation is driven by the focus on future
focused on the future buyer – Generation Y. This is a very	buyers, particularly Generation Y, making co-
interesting point where indicates that the future of the buyer is	creation with this demographic crucial for the
Gen Y. This is because all the information, specifications, and	organization's success.
upgrading the car is to attract Gen Y to buy the product. This	
means that Gen Y is much needed consideration in co-creation.	
They are the future customers."	

Table 3: Narrative Data- M3

Data (M3)	Descriptive Analysis
"These engaging activities allow us to improve and design the	Engaging activities and customer involvement in
product according to the customer's specifications. All the	the product design process lead to improvements
customers participating in the survey will be invited to a	and co-creation of products, fostering a stronger
'Clinic' which focuses on engineering the product together."	connection between the organization and its
	customers.

The narrative analysis highlights the growing role of customers in the innovation process, facilitated by social media and engaging activities. Customer surveys and face-to-face interactions emerge as valuable sources of customer insights that drive product/service design and organizational innovation. This would ensure the definite input derive from the constant communication with the customers allows the organization to be able to collect more information, thus initiate more innovative action. The extent of customer engagement varies based on the organizational size and resource allocation, with larger companies having specialized teams dedicated to customer engagement. However, it also depends on the organizational size that may influence the organization ability to conduct the engagement activities. Notably, the research underscores the significance of catering to Generation Y as future buyers, making their co-creation involvement pivotal for organizational success. These findings offer crucial implications for organizations seeking to harness customer input and maximize the potential of customer-driven innovation in the era of digital connectivity.

5. Conclusion

In conclusion, this research paper emphasizes the significance of identifying organizational abilities in managing online customer engagement for open innovation, given the evolving role of customers from passive consumers to active participants in the innovation process. By actively involving customers in the co-creation of products, services, and ideas, organizations can tap into a vast pool of valuable insights derived from customers' experiences and knowledge. The paper highlights the importance of effectively managing this new knowledge and information generated through customer engagement to drive organizational innovation successfully.

Moreover, the central objective of this thesis is twofold. Firstly, the research strives to identify and understand the specific organizational abilities required to effectively manage customer engagement in online platforms for open innovation. By exploring successful practices and strategies employed by organizations, the study sheds light on how companies can harness the potential of customer input in the innovation journey. Secondly, the paper aims to develop a comprehensive customer engagement framework tailored specifically for open innovation. This framework serves as a practical guide for organizations, helping them structure their customer engagement initiatives to foster a collaborative and mutually beneficial relationship with customers, ultimately enhancing the value derived from shared information and driving innovation within the organization.

In conclusion, the research underscores the critical role of customer engagement in open innovation and emphasizes the need for organizations to adapt to the changing dynamics of customer involvement. By identifying the organizational abilities necessary for effective customer engagement and proposing a customer engagement framework, this paper provides valuable insights and practical guidance for organizations seeking to leverage customer input to achieve successful open innovation outcomes. As customers continue to play a more active role in the innovation process, the understanding and implementation of these organizational abilities and frameworks become paramount for organizations to stay competitive and innovative in the dynamic market landscape.

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